



Education Commission  
of the States

# StateNotes

## Charter Districts

700 Broadway, Suite 1200 Denver, CO 80203-3460 303.299.3600 Fax: 303.296.8332 [www.ecs.org](http://www.ecs.org)

### Systems of Independently Operated Schools: The State of the Field

First Completed in June 2002

Most Recently Updated in December 2002

#### Overview

In more and more places across the country, states and districts are significantly altering how they govern public education. One of the more interesting recent developments are systems of independently operated schools – also referred to as charter districts or all-charter districts – in which all or most of the schools are contract or charter schools. Rather than operating schools themselves, these systems enter into contracts or charters with individuals and entities to run schools. Through these contracts or charters, the system extends autonomy and resources to schools, and at the same time holds them accountable for student achievement.

Some activities that might be thought of as related to systems of independently operated schools actually have little connection to our conception of these systems. For example, some districts have entered into contracts or charters with their states that give them freedom from state mandates in exchange for increased accountability. Such arrangements usually leave the relationship between the district and its schools unchanged. In another example, some districts have adopted school-based management initiatives that offer little autonomy to schools regarding their instructional programs, budgets and personnel. These initiatives should not be confused with efforts to shift substantial authority over these areas from districts to schools, as well as increase accountability for student performance in schools, via a mutually agreed-upon, legally binding contract or charter.

New arrangements that achieve such a shift in authority – what we call systems of independently operated schools – are being created in three ways by states and districts:

- Establishing independent charter-granting entities.
- Converting all or most of the existing schools to contract or charter schools.
- Creating a sub-district of contract or charter schools within an existing district.

#### Establishing Independent Charter-Granting Entities

Some states have allowed independent entities other than districts to grant charters. One example is the District of Columbia Public Charter School Board (DCPCSB), which was created by the U.S. Congress. The DCPCSB issues charters to start-up and conversion public schools in D.C., and is, in effect, a system of independently operated schools functioning as a separate entity within the boundaries of the D.C. Public School District.

In other examples, Indiana has given the mayor of Indianapolis the authority to issue charters within his 11-district jurisdiction, and Wisconsin has empowered three institutions beyond the Milwaukee Public Schools – the Milwaukee Common Council (the city's governing body), the University of Wisconsin-Milwaukee and the Milwaukee Area Technical College – to issue charters within the City of Milwaukee. Missouri has given chartering power within its two largest cities – Kansas City and St. Louis – to public universities.

Other states have created new statewide charter-issuing bodies (e.g., Arizona) or granted statewide chartering

authority to existing institutions, like universities or nonprofit organizations (e.g., Indiana, Michigan, Minnesota and New York). While not focused on specific districts, these statewide entities function like systems of independently operated schools for the entire state.

Please see Appendix A for a list of independent charter-granting entities.

## **Converting All or Most of the Existing Schools to Contract or Charter Schools**

According to our research, seven small and medium-size districts have converted all or most of their schools to contract or charter status. Three of these districts, however, contain only one school (Taliaferro County School District in Georgia, and Alvina Elementary School District and Delta View Joint Union Elementary School District in California).

Three other districts – Hickman Community Charter District, San Carlos School District and Twin Ridges Elementary School District, all in California – contain multiple schools. Hickman's three schools are charter schools, and six of the seven schools in San Carlos are charters. Twin Ridges has two traditional schools within its boundaries, but has sponsored 12 charter schools outside of its boundaries.

Under legislation empowering it to take over struggling districts, Pennsylvania took over the Chester-Upland School District. Subsequent to the takeover, the state-appointed board of control contracted with for-profit organizations to run nine of the district's schools. In addition, there are three charter schools in the district, and the district directly operates one school.

An eighth district – Barnstable Public Schools in Massachusetts – has started the process of converting each of its schools to charter status. Currently, one of the district's 14 schools is a charter school, but the district will be incrementally converting the remaining schools to charter status in the coming years.

A ninth district – Cartersville City Public Schools in Georgia – converted all four of its schools to charter status in 1996, but did not seek renewal of the charters in 2001.

Please see Appendix B for a list of districts that have converted all or most of their existing schools to contract or charter schools.

## **Creating a Sub-district of Contract or Charter Schools Within an Existing District**

Though no large district has converted all of its schools to charter status, some urban districts have launched efforts to grant contracts or charters to a significant number of new or converting schools. The nation's third-largest district, the Chicago Public Schools (CPS), has issued 15 charters to schools operating at 21 sites around the city. CPS has also contracted with a nonprofit organization to run one school in the district.

The School District of Philadelphia (SDP), which is moving on two separate but related tracks. First, SDP has authorized 43 charter schools. Second, subsequent to a state intervention that created a new five-member board appointed by the governor and the mayor, SDP has contracted with seven for-profit and non-profit organizations to run 45 schools.

The chancellor of the New York City Public Schools operates a formal sub-district of charter schools. New York City's conventional public schools are divided into 32 geographic school districts, but charter schools are part of a 33rd jurisdiction that spans the entire city with its own supervisory structure. Though currently small, the sub-district is set to grow, as the new chancellor announced in 2002 that he intends to expand chartering in the city.

Finally, the Los Angeles Unified School District (LAUSD) has authorized 40 charter schools. In a potentially more significant move, LAUSD has expressed an interest in authorizing 100 charter schools to be operated by the Los Angeles Alliance for Student Achievement.

Please see Appendix C for a list of large districts that are creating sub-districts of contract or charter schools.

## **Initial Observations About Systems of Independently Operated**

## Schools

In the early months of 2002, we conducted interviews with system representatives from across the country. During the course of these interviews, we learned that the systems involved in this type of reform are an extraordinarily diverse group, in terms of both their basic characteristics and the specific governance innovations they are pursuing. As a result, it is difficult to generalize about them. It is, however, possible to make some initial observations about how the field of systems of independently operated schools is developing in its early stages.

### **Autonomy**

A key facet of the charter school idea is to give schools more autonomy over their operations, and let them use this flexibility to adopt the most appropriate and effective approaches to instruction and school organization for their students. In exchange, they are held accountable for results, facing the loss of their charters if they fail to meet contractual goals.

Within the range of systems of independently operated schools, there is wide variation in the degree of autonomy granted to schools. In the small systems, the line between the system and the schools is often difficult to draw, since management and administration are by necessity fairly integrated between the system and the school. In our interviews with system representatives, these systems tend not to report vast changes in the degree of autonomy for schools in relation to the system.

By contrast, schools in the medium-sized and larger systems have gained substantial autonomy. In these systems, schools tend to have control over all or most of the major functions of schooling, from budgets and personnel to curriculum and instruction.

### **Accountability**

The same distinction applies to accountability. The systems affording schools more autonomy have also moved to develop more-explicit systems of results-based accountability for schools. In these systems, schools and their authorizers enter into performance contracts that specify the goals to be met by the school and the consequences of failing to meet these goals. In cases where there is less autonomy, a school's accountability is mostly based on the statewide testing and accountability systems.

### **Role of the System**

One argument for systems of independently operated schools is that they change the focus of system officials from operating schools to managing contracts with schools operated by others. The central office performs less micromanagement, and also is less involved in providing services to schools, such as human resources and professional development. Schools provide these services themselves, or seek third-party suppliers, which may include the system.

This vision of a new system role has been most fully realized in the medium-sized and larger systems. These systems have a very different set of responsibilities from the typical central office. They focus their efforts on defining the criteria for issuing charters, selecting groups to receive charters and monitoring schools' achievement of the goals outlined in their charters.

### **Conversions vs. Start-Ups**

Systems of independently operated schools also differ in the degree to which the schools within them are conversion or start-up schools. Some are mostly made up of conversions, some are dominated by start-ups and some have a mixture of conversions and start-ups.

## Conclusion

While state and district leaders' efforts to create systems of independently operated schools are currently in their early stages, there are two factors that will likely increase their efforts to create such systems in the coming years, particularly in urban districts. First, many parents in urban districts remain dissatisfied with the public schools in their communities, and are therefore open to new choices for their children. This dissatisfaction, and willingness to entertain new opportunities, is particularly prevalent among young, minority parents, who are, and will be, sending their children to urban schools in increasing numbers in the near future.

Second, the federal government's No Child Left Behind Act of 2001 will likely force state and local policymakers to create new choices for students in low-performing schools. As required by the act, students in low-performing

schools must be given the opportunity to choose higher performing schools, and districts must provide transportation for these students. Most likely, the demand for higher performing schools will exceed the supply of higher performing schools in urban areas, and it is unlikely that suburban districts will offer enrollment to the large numbers of students in urban districts who will be eligible for new choices. Therefore, it is likely that state and district leaders will have to create new schools in urban areas.

The convergence of parental and federal demands for new choices for students in low-performing schools highlights a significant need in urban communities, and creates the opportunity to establish a system of independently operated schools in an urban district, with the charge of creating high-quality schools for students in low-performing schools.

**This policy brief was written by Katie Walter, Michelle Godard McNiff and Bryan Hassel of Public Impact and Victoria Maslow and Todd Ziebarth of the ECS National Center on Governing America's Schools, with financial support from the U.S. Department of Education's Public Charter Schools Program.**

## Appendix A: Establishing Independent Charter-Granting Entities

This appendix lists independent charter-granting entities. These entities may grant charters either within a specific district (e.g., the District of Columbia Public Charter School Board) or throughout an entire state (e.g., Central Michigan University).

State	System	# of Schools	# of Sites
<b>Arizona</b>			
	State Board of Education	63	84
	State Board for Charter Schools	242	338
<b>California</b>			
	Butte County Board of Education	2	2
	Del Norte County Board of Education	1	1
	El Dorado County Board of Education	4 (2 pending)	4 (2 pending)
	Fresno County Board of Education	1	1
	Kern County Board of Education	2	2
	Kings County Board of Education	1	1
	Los Angeles County Board of Education	2	2
	Madera County Board of Education	1	1
	Marin County Board of Education	1	1
	Mono County Board of Education	1	1
	Monterey County Board of Education	1	1
	Riverside County Board of Education	1	1
	San Diego County Board of Education	1	1
	San Joaquin County Board of Education	1	1
	Santa Cruz County Board of Education	1	1
	Stanislaus County Board of Education	1	1
	Tulare County Board of Education	2	2
	Yuba County Board of Education	1	1
<b>Connecticut</b>			
	State Board of Education	13	13
<b>Delaware</b>			
	State Board of Education	10	10
<b>District of Columbia</b>			
	District of Columbia Public Charter School Board	23	23
<b>Hawaii</b>			
	State Board of Education	25	25
<b>Indiana</b>			
	Ball State University	7	7
	Mayor of Indianapolis	3	3
<b>Massachusetts</b>			
	State Board of Education	40	40
<b>Michigan</b>			
	<b>Community Colleges/State Public Universities</b>		
	Bay Mills Community College	2	2
	Central Michigan University	57	57
	Eastern Michigan University	8	8
	Ferris State University	16	16
	Grand Valley State University	29	29
	Lake Superior State University	7	7
	Northern Michigan University	6	6
	Oakland University	7	7
	Saginaw Valley State University	17	17
	Washtenaw Community College	1	1
	Wayne State University	1	1
	<b>Intermediate School Boards</b>		



	Bay-Arenac Intermediate School Board	1	1
	Hillsdale Intermediate School Board	2	2
	Macomb Intermediate School Board	1	1
	Manistee Intermediate School Board	1	2
	Midland County Intermediate School Board	1	1
	Saginaw Intermediate School Board	2	2
	St. Clair Intermediate School Board	6	6
	Washington Intermediate School Board	1	1
	Wayne County Educational Service Agency Board	9	9
<b>Minnesota</b>			
	<b>Public Postsecondary Institutions/Private Colleges</b>		
	Alexandria Technical Community College	1	1
	Alfred Adler Graduate School	1	1
	Anoka-Hennepin Community College	1	1
	Augsberg College	2	2
	Bethel College	2	2
	Central Lakes College	3	3
	Century College	1	1
	Concordia College	1	1
	Hamline College	2	2
	Inver Hills Community College	1	1
	The Metropolitan States University (Community College)	1	1
	North Central University	1	1
	Rochester Technical Community College	2	2
	St. Mary's University	1	1
	St. Paul Technical Community College	1	1
	University of St. Thomas	2	2
<b>Missouri</b>			
	Central Missouri State University	11	11
	University of Missouri – Kansas City	5	5
<b>New Jersey</b>			
	State Commissioner of Education	56	56
<b>New York</b>			
	New York State Board of Regents	4	4
	State University of New York Board of Regents	22	22
<b>North Carolina</b>			
	State Board of Education	95	95
<b>Ohio</b>			
	Lucas County Educational Service Center	9	9
	State Board of Education	101	101
	Tri-Rivers Career Center Board of Education	1	1
	University of Toledo	7	7
<b>Texas</b>			
	State Board of Education	200	200
<b>Utah</b>			
	State Board of Education	13	13
<b>Wisconsin</b>			
	City of Milwaukee	5	5
	University of Wisconsin-Milwaukee	5	5

## Appendix B

### Converting All or Most Schools to Contract or Charter Schools

This appendix lists districts that have converted all or most of their schools to contract or charter status.

<u>State</u>	<u>System</u>	<u># of Public Schools (Including Contract/Charter Schools)</u>	<u># of Contract/ Charter Schools</u>	<u># of Student (Including Contract/C School Students)</u>
<b>California</b>				
	Alvina Elementary School District	1	1	160
	Delta View Joint Union Elementary School District	1	1	96
	Hickman Community Charter District	3	3	1,060
	San Carlos School District	7	6	2,600
	Twin Ridges Elementary School District	14	12	1,900
<b>Georgia</b>				
	Taliaferro County School District	1	1	262
<b>Pennsylvania</b>				
	Chester-Upland School District	13	12 (9 are contract schools and 3 are charter schools)	7,840

Barnstable Public Schools in Massachusetts has started the process of converting each of its schools to charter status. Currently, one of the district's 14 schools is a charter school, but the district will be incrementally converting the remaining schools to charter status in the coming years. Also, Cartersville City Public Schools in Georgia converted all four of its schools to charter status in 1996, but did not seek renewal of the charters in 2001.

## Appendix C

### Creating a Sub-district of Contract or Charter Schools Within an Existing School District

This appendix lists districts that are creating a sub-district of contract or charter schools.

<b>State</b>	<b>System</b>	<b># of Public Schools (Including Contract/Charter Schools)</b>	<b># of Contract/ Charter Schools</b>
<b>California</b>			
	Chula Vista Elementary School District	41	5
	Los Angeles Unified School District	675	40
	San Diego Unified School District	187	16
<b>Florida</b>			
	Miami-Dade County Public Schools	351	26
<b>Illinois</b>			
	Chicago Public Schools	599	16 (15 charter schools and 1 contract school)
<b>New York</b>			
	New York City Public Schools	1,200	6
<b>Pennsylvania</b>			
	Philadelphia Public Schools	303	88 (43 charter schools and 45 contract schools)
<b>Texas</b>			
	Houston Independent School District	286	23
<b>Wisconsin</b>			
	Milwaukee Public Schools	161	21

© Copyright 2002 by the Education Commission of the States (ECS). All rights reserved.

The Education Commission of the States is a nonprofit, nationwide organization that helps state leaders shape education policy. It is ECS policy to take affirmative action to prevent discrimination in its policies, programs and employment practices.

To request permission to excerpt part of this publication, either in print or electronically, please fax a request to the attention of the ECS Communications Department, 303.296.8332 or e-mail [ecs@ecs.org](mailto:ecs@ecs.org).